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EDUCATION WEEK

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Dairies Rigged Their Milk Bids, Florida Charges

School Districts Bilked Of Millions, State Says

By William Snider

Seven of the nation's largest dairy producers illegally rigged bids for milk contracts with Florida's public schools, the state's attorney general charged last week in a federal lawsuit.

The civil suit filed in U.S. District Court in Miami charges that the milk suppliers and four local distributors violated federal antitrust laws by collaborating in a sophisticated conspiracy that has cost the state's school districts "millions of dollars" in overcharges over the past decade.

Bob Butterworth, Florida's attorney general, said he believes the antitrust action is the largest ever filed against major milk producers and that it will trigger similar investigations in other states.

"The ultimate effect of the conspiracy was to take coins from the pockets of schoolchildren," Mr. Butterworth said in a statement.

A spokesman for the the U.S. Justice Department said late last week that the department is conducting a grand jury investigation in Tampa to determine whether or not antitrust criminal violations may have occurred in the dairy industry. He would not provide details on the scope of the investigation.

The dairy processors named in the suit are: Borden Inc. of Columbus, Ohio; Dean Food Products Co. of Chicago; Flavorich Inc. of Lousiville, Ky.; Hart's Dairy of Ft. Meyers, Fla.; Kraft Inc. of Chicago, which markets dairy products under the brand name Sealtest; Pet Inc. of St. Louis; and Southland Corp. of Dallas, which markets dairy products under the Velda Farms label.

Spokesmen for five of the dairy processors named in the suit denied last week that they had engaged in any illegal actions.

"It is too early for us to comment on the specifics of the complaint as we have not yet

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Reagan Seeks $900-Million Education Hike

Funding Linked to 'Measurable Outcomes'

By Julie A. Miller

WASHINGTON—In keeping with their proclaimed theme for the year, Education Department officials have included in their 1989 budget proposal plans to make schools and colleges more "accountable" for the success of vocational-education and student-aid programs.

"We want to link the level of federal funds a recipient gets to the attainment of measurable outcomes," said a senior E.D. official.

Also tucked away in the budget are plans for a new college-savings program and for overhauling library-aid and immigrant-education programs earmarked for elimination in prior years.

Vocational education, slated for zero funding in 1988, would be level-funded at $888.2 million under the 1989 plan.

But—in a preview of their proposals for next year's reauthorization of the Carl D. Perkins Vocational Education Act—E.D. officials have proposed basing continued funding for local programs on evidence of success.

"Our goal is to improve program quality by strengthening the states' responsibility for setting, assessing, and enforcing stan-

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EDUCATION'S BUDGET HIGHLIGHTS

1988 Appropriation: $20.3 billion
1989 Request: $21.2 billion

Proposed Increases

Pell Grants	$740 million
Guaranteed Loans	$188.6 million
Chapter 1	$238 million
Chapter 2	$66.6 million
Magnet Schools	$40 million
Anti-Drug Programs	$21 million
Education Research	$12 million
Bilingual education	$12 million

Proposed Cuts

Impact Aid	$116 million
Migrant Education	$7 million
Education of Homeless	$5 million

Initiatives

Fund for Improvement and Reform of Schools and Teaching	$5 million
School Choice	$10 million
'Accountability' requirements in student-aid, vocational programs	

For related stories, Databank, see pages 17-19.

$21.2-Billion Budget Boosts Major Programs

By Julie A. Miller

WASHINGTON—For only the second time in his eight-year tenure, President Reagan has proposed an increase in federal education spending.

The fiscal 1989 budget he unveiled last week requests a $900-million hike for Education Department programs, to $21.2 billion. That figure includes significant increases for Chapter 1, Chapter 2, Pell Grants, and education research.

The budget contains only a handful of proposed cuts—most notably in impact aid—and no big surprises like last year's proposal to eliminate vocational-education funding.

It makes no requests for recissions from the prior year's budget, although Education Department officials said last week that such requests may be made later.

"As I said last year, if circumstances were different, we would be proposing a different budget; and circumstances are different," said Secretary of Education William J. Bennett.

"The President has decided to make education a priority, there is more room to move because of the summit agreement [between the White House and the Congress],

Continued on Page 17

Foundations Saying 'We All Have a Stake' in Schools

By Lynn Olson

Historically, philanthropic interest in the public schools has been, in the words of one observer, "abysmally low."

But there are signs that the education-reform movement, and a growing concern among foundations over children's welfare, may be changing that.

Since 1980, membership in the Council on Foundations' precollegiate division has soared—from 36 people to 212.

The large private foundations that traditionally have given to the schools, such as the Carnegie Corporation of New York and

First of Two Parts

the Ford Foundation, are now being joined by a host of others. For example:

- The ARCO Foundation, which a decade ago gave only to higher education, last year assigned over half of its $11.5 million in contributions to precollege programs. The "turning point," according to Program Officer Fred A. Nelson, came in 1980, when ARCO made the largest single grant in its history—$2.55 million—to the Carnegie Foundation for the Advancement of Teaching.

"Since then," Mr. Nelson says, "our support of precollege education in general . . . has steadily increased," even at the expense of grants to higher education.

- The Exxon Education Foundation, which in the past also has focused its efforts on colleges and universities, in 1986 created a separate elementary- and secondary-education program that distributed nearly

Continued on Page 22

Researchers' Critique Escalates the Debate Over 'Regular Education' for All Students

By Debra Viadero

In an escalation of what has become the hottest debate in special education, a group of prominent researchers has published a collective critique of the so-called "regular-education initiative."

Their views, appearing in a series of articles published in the January issue of the *Journal of Learning Disabilities*, are considered to be the first major rebuttal to a growing movement in the field to have handicapped children taught entirely in regular classrooms, rather than in special programs.

Unlike mainstreaming, in which handicapped children are returned to the regular classroom only after they have been helped in separate "pull out" programs, the regular-education initiative calls for fundamental changes in the way handicapped children are educated.

It seeks to to avoid stigmatizing "labels" by keeping mildly handicapped students in regular school classrooms from the beginning.

The movement's advocates claim that such children could best be served if regular classroom teachers worked with special educators to learn strategies for teaching all students, all of the time.

Though a handful of researchers have advocated the regular-education concept for years, it has gained considerable momentum since November 1986, when Mad-

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Debra Viadero/Education Week

Teacher Mary Ann Provenza with pupil at a Verona, Pa., school that has tried new technique. Story on page 21.

Also in the news

5 Little Rock Ruling Says State Must Pay
Arkansas joins a list of states held liable for desegregation-related education costs.

9 National Teacher Board Seeks Hefty Appropriation
Certification body's backers ask the Congress for $25 million in aid—with no strings attached.

10 As Louisiana 'Hayride' Ends, Schools Are Gaining Priority
The collapse of a decade-long boom has made education the state's new economic hope.

IN SUMMARY

Assessing an Alternate Route
New Jersey's controversial alternative-certification program has achieved "notable success," despite weaknesses in its training and supervision components, an independent study says. **Page 7.**

A Text Firm Changes Hands
In a $233-million deal announced last week, a British conglomerate partly owned by Rupert Murdoch has agreed to buy one of the top textbook publishers in the United States. **Page 7.**

New Focus for Administrators?
Training programs for school administrators should shift their emphasis from management courses to "leadership education," according to a critique released last week. **Page 9.**

New Test for Kentucky?
Kentucky's essential-skills test has lost credibility with the public, and should be replaced with a nationally normed commercial test, the state's new schools chief contends. **Page 10.**

Legal Action on State Aid
West Virginia's largest school district has gone to court in an attempt to force the financially strapped state government to pay it some $10 million in overdue assistance. **Page 14.**

Battling for Enrollment
Vocational-education programs, hard hit by enrollment drops and academic mandates, are fiercely competing with comprehensive high schools to attract students, new findings suggest. **Page 16.**

Drug Research Found Lacking
Research on the effectiveness of anti-drug education has failed to keep pace with significant hikes in federal spending on such efforts, according to the General Accounting Office. **Page 16.**

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ACROSS THE NATION

NATIONAL

New Ad Campaign To Tell Youths: 'Reach for the Power—Teach'

Concerned about predictions of an impending teacher shortage, a teacher-recruiting firm has joined forces with the advertising industry's chief public-affairs organization to create a national media campaign designed to persuade young people to choose precollegiate education as a career.

Recruiting Young Teachers Inc. of Princeton, N.J., a nonprofit recruiting firm, and The Advertising Council Inc. of New York City will offer the press a preview this week of the $200,000 campaign, which will include television and radio commercials, and print ads promoting the theme: "Reach for the Power—Teach."

The project, which is expected to run for at least two years, will be aimed at high-school and college-age youths. Pam Freeman, a spokesman for the Advertising Council, said, "We want teaching to be able to compete with other careers in the minds of these young people."

The idea for the campaign was put forward in 1986 by John C. Esty Jr., president of the National Association of Independent Schools. He has spent the last year gathering support for it.

The advertisements will include a toll-free number—1-800-45TEACH—that those interested may call for more information about the profession.

STATES

N.A.A.C.P. To Sue Mississippi Over High-School Exit Test

A top official of the Mississippi N.A.A.C.P. said last week that his group would ask a federal court to halt the state's exit examination for high-school students on the grounds that it discriminates against blacks.

Morris Kinsey, education chairman of the state chapter of the National Association for the Advancement of Colored People, said the test was "totally unconstitutional and totally unfair" to black students.

The examination, mandated by Mississippi's 1982 reform law, is taken by high-school juniors every spring. Beginning this year, students cannot receive diplomas until they pass it.

The N.A.A.C.P. has cited statistics showing that since the test was first administered in 1985, the failure rate for black students has been more than three times higher than that of white students.

Mr. Kinsey said the group will argue in court that the racial discrepancy is the direct result of the inferior educational opportunities available to blacks in the state.

"Black students are still not receiving a comparable education," he said. "Now they are asking them to compete at a level at which they have not been taught."

The N.A.A.C.P. also points to the disproportionate number of black students enrolled in remedial and vocational classes, which Mr. Kinsey claims do not adequately prepare students for the exit test.

A spokesman for the state education department, however, denied that the test was racially biased. Every question on the examination, he said, has been tested to eliminate cultural bias.

"Our position is that the discrepancy between the black and white failure rates is a poverty indicator," the spokesman said.

South Carolina To Give 'Certificate' As Alternative To Full Diploma

South Carolina students who complete high-school course requirements but do not pass the state's exit examination will be awarded a certificate in lieu of a diploma, under a plan adopted by the state board of education this month.

The board approved a regulation that would allow students who complete 20 hours of coursework to be awarded a State High School Certificate. Rob Harper, a board spokesman, said the certificate would not carry the weight of a diploma, but would give students "something to show for four years of work."

Beginning in the 1989-90 school year, all high-school students will be required to complete 20 hours of coursework and to pass an exit exam before receiving a diploma.

The exam, which tests reading, mathematics, and written-composition skills, will be given in the 10th grade. Students must pass all three sections, but they will be given three chances to do so.

Mr. Harper said students who receive the certificate may remain in school until they are 21 years old. After that, they may enroll in an adult-education program and may take the exit exam as many times as necessary to pass.

State officials say they hope the certificate will give students who are considering dropping out another goal to try for before quitting.

The certificate regulation will be on the state legislature's agenda for 90 days. If the assembly takes no action, it will pass automatically. Mr. Harper said the board did not anticipate problems with the regulation's passage.

■ **Standardized-test scores of students entering public colleges in Arkansas will soon be used to determine their placement level** for college coursework.

The Arkansas Board of Higher Education this month adopted a plan, to take effect next fall, requiring that all degree-seeking students take either the American College Testing Program, the Scholastic Aptitude Test, or the Assessment of Skills for Entry and Transfer examination.

Cynthia Moten, a spokesman for the board, said all college-bound students will have taken one of the tests for admission. Under the new plan, those test scores will also be used to determine the students' placement levels in three areas: mathematics, English composition, and reading.

Students who fail to score above a specified level in each area will be placed in a noncredit developmental program, which will vary depending on the college. After successfully completing the program, the student may enroll in for-credit courses without retaking the exam. The plan is intended to boost achievement levels overall.

■ **Illinois employers have little confidence in the skill levels of high-school graduates who apply to them for jobs,** a new study suggests.

In its survey of 360 employers, the Illinois Manufacturers Association found that 45 percent characterized their job applicants as "poorly educated." Fifty-five percent of those surveyed said the applicants generally had "average skills."

"The education community has been allowed to float along," said William Dart, vice president of the 5,000-member trade group, "but the fact that the product coming out is not sufficient is disturbing."

DISTRICTS

Suicide at Fresno Science School Spurs Intensive Counseling Effort

A team of psychologists has been organized to help students at a special school for science and mathematics cope with the first on-campus suicide ever reported in the Fresno (Calif.) Unified School District.

The 15 psychologists were brought in to talk to students of Edison Computech, where a 12-year-old boy fatally shot himself in an empty classroom after school on Feb. 8.

The boy, whose name was not released, was considered quiet and bright by teachers and classmates. He had gone to school concealing a .38-caliber pistol, a hunting knife, and a vial of cyanide. School officials said several factors in the boy's life had come together to place him at risk.

About 150 students sought counseling in the first day after the incident. Teachers and school staff also were encouraged to seek counseling.

Milwaukee's Catholic Schools Face a Major Restructuring

Faced with declines in enrollment and financial support, the Roman Catholic Archdiocese of Milwaukee has begun a comprehensive study of ways to reorganize its schools on the city's South Side.

Archbishop Rembert Weakland last week appointed a commission to complete the study. It will make recommendations for restructuring the school system by the end of the year.

Three high schools, 40 grade schools, and 60 parishes would be involved in the reorganization, affecting more than 10,000 students.

Enrollment in the archdiocese has dropped from about 88,000 in the mid-1960's to 33,000 last year. Combining the three high schools into one, and merging several grade schools are among the ideas to be considered, officials said.

DATABANK

Schooling in the States: A Fiscal and Demographic Profile

The following are findings from the Council of Chief State School Officers' first state-by-state summary of educational indicators.

Part of an annual series that will attempt to monitor the dimensions of the educational system and assess the quality of its accomplishments, the initial report emphasizes demographic and fiscal background information bearing on the states' investment in schooling.

The indicators are intended, the chiefs said in releasing them last November, to enable the states to compare their status and progress with others facing similar circumstances. Though some of the information was previously available, the chiefs offered new groupings of "like" states to make comparisons among them fairer.

Comparative indicators of student outcomes are not likely to be available until 1991, since that information would be derived from the expansion of the National Assessment of Educational Progress, proposals for which are still under discussion.

State	Number of Districts	School-Age Population 1976	School-Age Population 1986	Average School-Age Population Per District 1986	Per Capita Income 1986	Percent of Adults With 4 Years of High School 1980	Relative Tax Capacity Index U.S. = 100	Percent of School-Age Population In Poverty 1980
Alabama	130	903,000	820,000	6,308	11,336	56.5	73	22.7
Alaska	55	107,000	111,000	2,018	17,796	82.5	250	11.0
Arizona	218	554,000	629,000	2,885	13,474	72.4	99	15.4
Arkansas	333	506,000	472,000	1,417	11,073	55.5	75	22.3
California	1,028	4,614,000	4,874,000	4,484	16,904	73.5	119	13.8
Colorado	176	612,000	599,000	3,384	15,234	78.6	121	10.5
Connecticut	165	720,000	549,000	3,327	19,600	70.3	24	10.2
Delaware	19	142,000	115,000	6,053	15,010	66.6	123	14.4
District of Columbia	1	143,000	91,000	91,000	19,397	68.0	120	25.6
Florida	67	1,784,000	1,848,000	27,582	14,646	66.7	105	17.2
Georgia	186	1,252,000	1,245,000	6,694	13,446	56.4	89	20.1
Hawaii	1	207,000	196,000	196,000	14,886	73.8	118	11.4
Idaho	116	212,000	223,000	1,922	11,223	73.7	78	13.1
Illinois	993	2,642,000	2,187,000	2,202	15,586	66.5	97	13.9
Indiana	305	1,293,000	1,084,000	3,554	13,136	66.4	87	10.8
Iowa	436	685,000	543,000	1,245	13,348	71.5	87	10.6
Kansas	304	513,000	453,000	1,490	14,650	73.3	100	10.5
Kentucky	178	838,000	745,000	4,185	11,238	53.1	77	20.7
Louisiana	66	1,013,000	947,000	14,348	11,193	57.7	102	22.6
Maine	282	259,000	222,000	787	12,790	68.7	88	14.8
Maryland	24	1,008,000	788,000	32,833	16,864	67.4	105	11.6
Massachusetts	396	1,311,000	960,000	2,424	17,772	72.2	111	12.1
Michigan	565	2,260,000	1,809,000	3,202	14,775	68.0	93	12.2
Minnesota	436	971,000	786,000	1,803	14,994	73.1	101	9.3
Mississippi	154	618,000	583,000	3,786	9,716	54.8	70	29.8
Missouri	545	1,101,000	939,000	1,726	13,789	63.5	89	13.7
Montana	549	183,000	163,000	297	11,803	74.4	95	12.5
Nebraska	927	359,000	302,000	326	13,742	73.4	93	11.4
Nevada	17	150,000	167,000	9,824	15,437	75.5	146	9.0
New Hampshire	169	202,000	187,000	1,107	15,911	72.3	110	8.7
New Jersey	604	1,704,000	1,332,000	2,205	18,626	67.4	114	13.2
New Mexico	88	312,000	309,000	3,511	11,422	68.9	103	21.2
New York	728	4,016,000	3,145,000	4,320	17,111	66.3	98	17.5
North Carolina	140	1,302,000	1,192,000	8,514	12,438	54.8	87	17.5
North Dakota	310	155,000	132,000	426	12,472	66.4	106	13.7
Ohio	615	2,541,000	2,075,000	3,374	13,933	67.0	90	12.0
Oklahoma	634	699,000	632,000	997	12,283	66.0	113	14.7
Oregon	306	534,000	494,000	1,614	13,328	75.6	94	10.4
Pennsylvania	501	2,651,000	2,074,000	4,140	14,249	64.7	88	13.0
Puerto Rico[1]	1	978,000	862,000	862,000	—	—	—	—
Rhode Island	40	209,000	164,000	4,100	14,579	61.1	86	12.4
South Carolina	92	719,000	682,000	7,413	11,299	54.0	77	20.3
South Dakota	193	164,000	138,000	715	11,814	67.9	83	19.0
Tennessee	142	1,002,000	923,000	6,500	12,002	56.2	81	19.8
Texas	1,068	3,102,000	3,435,000	3,216	13,478	62.6	117	18.1
Utah	40	326,000	10,775		10,981	80.0	81	9.6
Vermont	273	116,000	100,000	366	13,348	71.0	95	12.7
Virgin Islands[1]	2	—	—	—	7,811	47.0	—	—
Virginia	138	1,195,000	1,030,000	7,464	15,408	62.4	96	14.1
Washington	297	856,000	817,000	2,751	15,009	77.6	99	10.0
West Virginia	55	423,000	382,000	6,945	10,576	56.0	79	17.9
Wisconsin	432	1,129,000	914,000	2,116	13,909	69.6	89	9.5
Wyoming	49	95,000	107,000	2,184	12,781	77.9	181	7.4

[1] Data provided by state education agency staff

Comparative Wealth: Gross State Products Per School-Age Child, 1986

High Relative Wealth		Moderately High Relative Wealth		Moderate Realtive Wealth		Moderately Low Relative Wealth		Low Relative Wealth	
Alaska	$173,445	Hawaii	96,358	Washington	82,697	Wisconsin	74,897	South Carolina	63,460
Nevada	115,033	Delaware	95,018	Georgia	82,522	Michigan	74,859	Montana	61,579
Connecticut	113,995	Maryland	93,862	Rhode Island	82,329	Oregon	73,568	Alabama	61,192
Wyoming	111,856	Virginia	91,992	Kansas	81,256	Tennessee	72,965	Arkansas	59,097
New York	111,856	Florida	91,909	Pennsylvania	81,023	Indiana	71,231	West Virginia	57,894
Massachusetts	109,580	Illinois	89,639	North Carolina	79,175	New Mexico	68,987	South Dakota	56,352
California	106,041	Minnesota	86,031	Ohio	77,225	Vermont	68,780	Utah	52,948
New Jersey	103,564	New Hampshire	84,721	Louisiana	77,137	North Dakota	67,544	Idaho	52,829
Colorado	101,654	Arizona	83,790	Nebraska	76,943	Maine	66,760	Mississippi	50,230
Texas	99,300	Missouri	83,564	Oklahoma	75,178	Iowa	66,099	Virgin Islands	—
						Kentucky	65,980	District of Columbia	—
								Puerto Rico	—

A $21.2-Billion Budget For E.D. Is Proposed

Continued from Page 1

and Gramm-Rudman targets are pressing less," Mr. Bennett said.

Other department officials said the proposal resulted from a convergence of two factors: the economic-summit agreement with the Congress and Mr. Bennett's success in making education "a more pressing issue" within the Administration.

The summit agreement calls for a $12-billion reduction in the federal budget deficit in fiscal 1989 and limits growth in both defense and domestic spending to 2 percent.

Given those limitations, department officials said, the Administration's domestic priorities were anti-drug programs, efforts related to acquired immune deficiency syndrome, and education programs, which are slated for an increase of more than 4 percent.

Countering 'Money Mob'

Mr. Bennett said he was also motivated by a desire to take the budget issue away from his critics in the Congress and the education community, which he characterized as "the money mob."

"We do not want to waste time with a budget proposal that no one in Congress takes seriously," the Secretary said. "It seems to give whining rights to the usual people."

The strategy may work. Education advocates last week termed the proposal a major improvement, although they added that it still does not go far enough.

Higher-education groups even canceled the sidewalk press conference outside the Education Department that had become almost a tradition on the day the budget is released.

"This is obviously a much better budget than we have seen from the Administration for a number of years," said Richard F. Rosser, president of the National Association of Independent Colleges and Universities. "It begins to sound like a reasonable budget."

But the Committee for Education Funding, a coalition of 100 education organizations, called for a $22.8-billion education budget in a letter to the Congress.

"I think the needs are considerably greater than what the department is proposing," said Michael Casserly, legislative director for the Council of the Great City Schools.

"Unfortunately," he said, "the unholy alliance on the budget makes it difficult to bust out of the artificial caps" on spending.

Congressional leaders were more enthusiastic about the Administration's change of heart, though some pledged to fight for still more education funding.

'Drastically Different'

Senator Lawton M. Chiles Jr., Democrat of Florida, said in a letter to colleagues that the 1989 budget "represents what may be the most realistic starting point of any budget presented during this Administration."

Mr. Chiles, who is chairman of both the Budget Committee and the Appropriations subcommitee with jurisdiction over education, added that the plan's education component is "drastically different but substantially better than last year's."

He and other legislators specifically praised proposed increases for the Chapter 1 compensatory-education program, Pell Grants, and programs for handicapped students.

Chapter 1 funding would increase from $4.33 billion to $4.56 billion. Most of that increase would come in the form of local grants, including $154 million in concentration grants for districts with especially heavy concentrations of needy students, a provision that will be added by pending reauthorization legislation.

Pell Grants would rise from $4.26-billion to $5 billion, and special-education funding would increase by $4-million, to $1.9 billion. Funding for handicapped-education grants, preschool grants, and the early-intervention-services program would all be increased.

"It took seven years, but it looks like the President has finally submitted a budget request for education that we can live with," said Senator Robert T. Stafford of Vermont, the education subcommittee's ranking Republican.

"While I am disappointed in the declining funding proposed for important programs, such as impact aid, libraries, and direct loans, the overall budget is a good one," said Senator Claiborne Pell, Democrat of Rhode Island, the subcommittee's chairman.

Impact aid, which compensates school districts for revenue lost because of federal activities there, is the only large precollegiate program slated for cuts.

Mirroring its previous, unsuccessful proposals, the Administration requested no funding for "b" districts, whose students either live on federal property or have parents who work there. Other funding would increase, but the program would be cut by $116 million overall.

'Not Politically Dumb'

House Education and Labor Committee Chairman Augustus F. Hawkins, Democrat of California, said the budget proposal "is a good first step, but clearly not enough," and vowed to "press for funding over and above the President's request."

Mr. Hawkins also asserted, as did several lobbyists, that the proposal was made to assist Republicans in an election year.

"We should be involved in a Presidential election campaign every year, since that event seems to be the only way to get this Administration to commit additional funding for the nation's schools," he said.

The last time the Administration proposed an increase in education funding—1984—was also an election year, as well as a year of increased public interest in education, spurred by the landmark report, *A Nation at Risk*.

Former Secretary of Education Terrel H. Bell requested a $900-million hike, to $15.5 billion, in 1984, and the Congress appropriated $17.9 billion.

Mr. Bennett acknowledged that proposing an increased education budget "is not politically dumb," but denied that the move was "driven" by electoral concerns.

"The Secretary does believe there's no point in handing this weapon time and time again to the Democrats," a senior Education Department official added.

Some education advocates said it was hard for them to heap praise on a proposal that they characterized as hypocritical in light of the Administration's past actions.

"I don't sleep with anybody on the first date," Mr. Casserly said. "They've got to care about you for a longer time before you can muster up any affection."

Other Details of Education Budget

Other details of the Administration's proposed education budget for fiscal 1989 include:

- A $23-million boost for the Chapter 2 block-grant program, to $540.5 million. Secretary Bennett has also requested an additional $4.7 million for the discretionary fund included under Chapter 2, proposing to use the money primarily to support "exemplary" early-childhood-education programs and demonstrations of alternative teacher certification.
- A $12-million hike in bilingual-education funding, which department officials said was spurred by the Congress's decision to allow more money to flow to alternative, English-based programs.
- An increase from $229.8 million to $250 million for education programs under the Drug-Free Schools and Communities Act, which the Administration proposed halving in 1988.
- A research budget of $81 million, a $12-million jump from 1988. The biggest jump would be slated for statistical activities.
- Small increases for adult- and Indian-education programs.
- Increased magnet-schools aid. The proposed budget would hike funding from $75 million to $115 million, the full amount to be authorized in pending omnibus legislation. The Administration also proposed allowing as much as $40 million of that funding to flow to school districts that are not implementing desegregation plans.

The Senate version of H R 5 adopted the Administration's expansion proposal, but would provide a separate, $35-million authorization that would become effective only when funding for the original program reached $100 million.

- Early approval for several other programs proposed in the Senate bill.

The "Fund for the Improvement and Reform of Schools and Teaching," under which a 15-member board would dispense awards designed to spur education reform, would receive $5 million, and a demonstration program for public-school districts implementing districtwide parental choice would receive $10 million.

A dropout-prevention demonstration program, which was authorized in the 1988 appropriations bill, would receive $23.9-million, the same as in 1988.

The Star Schools telecommunications grant program, also authorized for 1988 by the appropriations measure, would be discontinued under the Administration's 1989 blueprint, because "there is no need for a new federal program in this area."

Other proposed new initiatives, including programs for gifted students and parental-involvement projects, were not mentioned in the budget.

- Increases for most student-aid programs, coupled with sweeping reform proposals. *(See related story, page 1.)*

However, to the dismay of higher-education advocates, the Education Department is again seeking to augment its new Income-Contingent Loan initiative and eliminate the Perkins loan program, under which institutions provide direct subsidized loans to students.

- Zero funding for the education sections of the 1986 Homeless Assistance Act. The department argues that the needs of homeless children and adults can be addressed through regular programs for adult-education and aid to disadvantaged students.
- Renewed efforts to eliminate the Women's Educational Equity Act, aid to the Virgin Islands, Congressional scholarships for aspiring teachers, two programs that help migrant adults obtain high-school diplomas and attend college, and several small collegiate fellowship programs.
- A change of heart regarding other programs the Administration has tried to kill in the past. Title IV desegregation assistance, for example, would be level-funded under the 1989 blueprint.

Some other previously condemned programs, such as library aid, immigrant and refugee education grants, and vocational-education funding, are not earmarked for elimination in 1989, but for legislative changes. The library program is still earmarked for drastic cuts, while the other programs would receive the same amount as in 1988.

The Education Department has also given up on a proposal, ignored for two years, to phase out several specialized teacher-training programs in favor of a single program focused on education reform.

The largest of these programs, aiding science and mathematics education, would be level-funded at $119.7 million.

Territorial teacher training and Christa McAuliffe scholarships would each receive $1.9 million, the same amount as in 1988. The Leadership in Educational Administration initiative, which funds training centers for school administrators, would be phased out by 1990 under the proposed budget.

Funding Linked to 'Measurable Outcomes'

Continued from Page 1

dards of performance," said Secretary of Education William J. Bennett.

Department officials said the proposals are modeled after new provisions for the Chapter 1 program, likely to be written into law this year, which would require school districts to improve failing programs.

States would be required to develop evaluation mechanisms—such as basic-skills assessment and placement rates in jobs or postsecondary programs—that measure student achievement. They would have "the authority to determine if programs are working" and the responsibility to step in and aid improvement of those that are not.

Current law requires states to develop measures of program performance, but "gives very little guidance about the kinds of measures the states should develop and contains no requirements about how such measures should be applied," the department's 1989 budget documents state.

"Enactment of these amendments will give the states a mechanism for building strong vocational programs and improving or terminating weak ones."

In the name of local flexibility, the department also plans to end categorical funding for homemaking education, community-based organizations, and bilingual vocational training. It proposes instead to increase basic state grants from $804.2 million to $848.3 million.

Officials of the American Vocational Association declined to comment on the proposals last week.

Aid With Accountability

In a similar vein, the Administration's 1989 plans for student aid are not nearly as drastic as those advanced last year, when it proposed a 45 percent cut in aid programs, including elimination of several initiatives and a halt to the federal subsidy for Guaranteed Student Loans.

Under the 1989 proposal, all but two programs would receive increases. Total available aid dollars would climb from $15.6 billion to $16.5 billion, and the number of students assisted would rise from 9.2 million to 9.3 million.

But those proposed funding hikes come with a dose of accountability.

Institutions' allocations under the college work-study program, which provides grants to pay 75 percent of student workers' salaries, and the Supplemental Educational Opportunity Grants program, under which institutions award grants to eligible students, would be contingent upon "institutional performance in meeting various pre-established student outcome objectives."

The objectives, which would be set by the institution and reviewed by the department and advisory groups, could include student achievement on examinations or success in job placement or academic-program completion.

"Because colleges and universities have control over and benefit from campus-based aid, it is reasonable to expect some accountability in return," Mr. Bennett said.

The department will also propose that for-profit entities, including proprietary schools, be excluded

Continued on Following Page

'Accountability' Is Sought In E.D.'s Major Programs

Continued from Preceding Page

from the work-study program, and that the employer's share of student salaries rise from 25 to 50 percent over three years.

In conjunction with these proposed reforms, the Administration has requested $600 million for work-study, up from $588.3 million in 1988, and $416.6 million for supplemental grants, up from $408.4 million.

Because colleges "have control over and benefit from campus-based aid, it is reasonable to expect some accountability."

—William J. Bennett

But Richard F. Rosser, president of the National Association of Independent Colleges and Universities, said it is unlikely that adequate performance measures can be developed.

Dubious on Standards

"State schools can't agree on this, and they're talking about federal standards," Mr. Rosser said. "We don't have the methodology yet to make that kind of determination."

Charles B. Saunders, vice president for governmental relations of the American Council on Education, said he would defer comment until the proposed legislation is drafted. But he predicted that the only policy changes the Congress would entertain this year would be measures to curb student-loan defaults.

Proposed changes in the Guaranteed Student Loan program, which would be increased from $2.5 billion to $2.7 billion, are aimed at that problem.

Restrictions on Loans

Lenders would be required to check credit histories of borrowers, and those with poor records would have to find creditworthy co-signers. Borrowers would be asked for their driver's license numbers, addresses, and addresses of relatives at exit interviews.

The department would pay lesser percentages of defaulted loans to lenders and guarantee agencies, to increase their incentive to collect.

Some of these proposals "are obvious things that ought to be done," Mr. Rosser said, "but they are not going to take care of the problems. We've got to take a fresh look at how we lend students money," he said.

He also warned that proposed changes in the need-analysis formula that determines eligibility for most student aid could lead to "gross injustices."

Department officials said they plan to offer a package of reforms, including a proposal to exclude non-liquid family assets, such as homes and farms, from the analysis.

Mr. Bennett contended that including the assets discourages "prudent" behavior because those who dissipate their money instead of accumulating assets are rewarded.

'It's No Accident'

The proposals for campus-based aid programs reflect a tactic that is also being applied to library-aid and immigrant-education initiatives: If the Congress will not agree to eliminate or cut a program, propose reforming it instead.

"It's no accident," said a senior department official, confirming that the proposals stem from a conscious strategy. "The reason we proposed to kill [the programs] is that we felt they were not very effective."

For the Immigrant and Refugee Education program, the department will propose legislation that would prevent recipient districts from using the funds to pay general expenses or to supplant local funding.

The program, which assists districts with at least 500 immigrant students, currently requires no special instructional services.

In a similar vein, E.D. will propose regulations requiring that refugee education funds be used only to "meet the extraordinary educational needs of recently arrived refugee children." Eligibility would also be limited to districts with at least 20 refugee children.

The programs, slated for elimination in previous years, would be level-funded at $28.7 million and $15.2 million, respectively.

'Problems of National Interest'

Similarly, a new focus is planned for library-services programs, also slated for elimination in 1988.

Some proposals "are obvious things that ought to be done, but they are not going to take care of the problems."

—Richard F. Rosser

The existing programs "have accomplished their objective of making public-library services available to virtually every community," according to budget documents. "Consequently, the department will propose legislation that will address problems of national interest that still exist."

The new, $76-million program would support projects to increase library use by disadvantaged populations, the sharing of resources between libraries, and research and assessment activities.

Existing programs, funded at $135.1 million in 1988, also support construction, literacy, training, technology, and preservation projects.

The final legislative proposal foreshadowed in the budget is a plan to enable families to save for college by purchasing U.S. Savings Bonds. Interest would be tax-free if it were used for educational expenses.

Department officials said the program's tax benefits would be phased out for families with incomes of $75,000 to $100,000.

DATABANK

Proposed 1989 Education Budget

	FY 1987 Appropriation	FY 1988 Appropriation	FY 1989 Request
		(in thousands)	
COMPENSATORY EDUCATION FOR THE DISADVANTAGED			
Basic grants for the disadvantaged (Chapter 1):			
Grants to local educational agencies:			
Basic grants	$3,453,500	$3,829,600	$3,906,151[1]
Concentration grants	0	0	154,000[1]
State agency programs:			
Migrant	264,524	269,029	269,029[1]
Handicapped	150,170	151,269	151,269[1]
Neglected and delinquent	32,616	32,552	32,616[1]
State administration	37,107	38,296	41,000[1]
Evaluation, technical assistance, and demonstrations	6,246	7,181	12,000[1]
Total, Chapter 1	**3,944,163**	**4,327,927**	**4,566,065**
Migrant education:			
High-school equivalency program	6,300	7,276	0
College-assistance migrant program	1,200	1,340	0
TOTAL, compensatory education for the disadvantaged	**3,951,663**	**4,336,543**	**4,566,065**
IMPACT AID			
Maintenance and operations:			
Payments for "a" children	533,000	536,144	547,000
Payments for "b" children	130,000	134,036	0
Payments for federal property	22,000	15,318	10,000
Disaster assistance	10,000	0	10,000
Construction	22,500	22,978	25,000
TOTAL, impact aid	**717,500**	**708,476**	**592,000**
SCHOOL-IMPROVEMENT PROGRAMS			
Improving School Programs (Chapter 2):			
State block grants	500,000	478,700	540,500[1]
Secretary's discretionary fund:			
Inexpensive book distribution	7,800	7,659	7,659[1]
Arts in education	3,337	3,315	3,315[1]
Alcohol- and drug-abuse education	3,000	0	0
Law-related education	3,000	3,830	3,830[1]
National Diffusion Network	10,700	10,244	10,244[1]
Other discretionary programs	1,500	4,691	9,452[1]
Total, Chapter 2	**529,337**	**508,439**	**575,000**
Drug-free schools and communities:			
State grants	161,046	191,480	207,000[1]
National programs	38,954	38,296	43,000[1]
Science and mathematics education:			
State grants	72,800	108,904	108,904[1]
Programs of national significance	7,200	10,771	10,771[1]
Territorial teacher training	2,000	1,915	1,915[1]
Leadership in educational administration (LEAD)	7,177	8,222	4,358
Christa McAuliffe fellowships	2,000	1,915	1,915
Fund for the improvement and reform of schools and teaching	0	0	10,000[1]
Magnet-schools assistance	75,000	71,805	115,000[1]
Parental-choice open-enrollment demonstrations	0	0	5,000
Education of homeless children and youths	4,600	4,787	0
Women's educational equity	3,500	3,351	0
Training and advisory services	24,000	23,456	23,456
Dropout-prevention demonstrations	0	23,935	23,935
General assistance to the Virgin Islands	5,000	4,787	0
Ellender fellowships	1,700	2,394	0
Follow through	7,176	7,133	0
Star schools	0	19,148	0
TOTAL, school-improvement programs	**941,490**	**1,030,738**	**1,130,254**
INDIAN EDUCATION[2]			
Grants to local educational agencies and Indian-controlled schools	47,200	49,170	49,848
Special programs for Indian students	11,568	11,707	11,807
Special programs for Indian adults	3,000	3,000	3,500
Program Administration:			
Salaries and expenses	2,015	2,163	2,206
National advisory council	253	286	292
TOTAL, Indian education	**64,036**	**66,326**	**67,653**
EDUCATION FOR THE HANDICAPPED			
State grants:			
Grants to states	1,338,000	1,431,737	1,474,239
Preschool grants	180,000	201,054	205,075
Grants for infants and families	50,000	67,018	68,358
Special-purpose funds:			
Deaf-blind and other severely handicapped projects	0	0	19,722[3]
Deaf-blind projects	15,000	14,361	0
Severely handicapped projects	5,300	5,361	0
Early-childhood education	24,470	23,428	23,428
Secondary and transitional services	7,300	7,372	7,372
Postsecondary programs	5,900	5,840	5,840
Innovation and development	18,000	17,233	17,233
Media and captioning services	13,804	13,216	13,216
Special-education technology	4,696	4,787	4,787
Special studies	3,800	3,638	3,638
Special-education personnel development	67,730	66,410	66,410
Recruitment and information clearinghouses	1,200	1,149	1,149
Regional resource centers	6,700	6,415	6,415
TOTAL, education for the handicapped	**1,741,900**	**1,869,819**	**1,916,882**
REHABILITATION SERVICES AND HANDICAPPED RESEARCH			
State Grants:			
Vocational-rehabilitation state grants:			
Grants to states	1,277,797	1,376,051	1,403,572
Grants for Indians	3,203	3,449	3,518
Supported-employment state grants	25,000	25,935	26,454
Client assistance	7,100	7,500	7,650
Special purpose funds:			
Service and demonstration projects:			
Special demonstration programs	15,860	16,590	16,590
Supported employment projects	9,000	9,520	9,520
Model transition grants	450	475	475
Recreational programs	2,330	2,470	0
Migratory workers	1,058	1,100	1,100

	FY 1987 Appropriation	FY 1988 Appropriation	FY 1989 Request
		(in thousands)	
Projects with industry	16,070	17,000	17,000
Helen Keller National Center for Deaf-Blind Youths and Adults	4,600	4,800	4,800
Independent living:			
Comprehensive services	11,830	12,310	12,556
Centers	24,320	25,500	25,500
Services for older blind people	5,290	5,600	5,600
Training	29,550	30,000	30,000
National Institute on Disability and Rehabilitation Research	49,000	51,100	51,100
Evaluation	2,300	1,000	1,000
TOTAL, rehabilitation services and handicapped research	**1,484,758**	**1,590,400**	**1,616,435**
BILINGUAL, IMMIGRANT, and REFUGEE EDUCATION			
Bilingual education (Bilingual Education Act):			
Bilingual programs	98,161	101,198	113,081[1]
Support services	10,370	9,928	9,928[1]
Training Grants	33,564	35,447	33,564[1]
Immigrant education:			
Immigrant education (proposed legislation)	30,000	28,722	28,722
Reappropriation	0	1,247	0
Refugee education	15,866	15,209	15,209
TOTAL, bilingual, immigrant, and refugee education	**186,961**	**191,751**	**200,504**
SPECIAL INSTITUTIONS FOR THE HANDICAPPED			
American Printing House for the Blind	5,510[4]	5,278[4]	5,381
National Technical Institute for the Deaf	32,000[4]	31,594[4]	33,031
Gallaudet University	62,000[4]	62,195[4]	63,463
TOTAL, special institutions for the handicapped	**99,510**	**99,065**	**101,875**
VOCATIONAL AND ADULT EDUCATION			
Vocational education:			
Basic grants:			
Basic state grants	802,610	791,798	835,234
Indian and Hawaiian natives set-aside	12,390	12,448	13,099
Community-based organizations	6,000	6,845	0
Consumer and homemaking education	31,633	32,791	0
State councils	7,500	7,851	7,851
National programs:			
Research	7,050	7,276	7,050
Demonstrations	450	14,792	14,361
Data systems	3,500	3,590	3,500
Bilingual vocational training	3,666	3,734	0
Permanent appropriation:			
Basic grants	6,898	6,898	6,898
Indian and Hawaiian natives set-aside	107	107	107
Research	143	143	143
Adult education:			
Grants to states	105,961	115,367	148,000[1]
Research, demonstration, and evaluation	0	1,915	2,000[1]
Literacy training for homeless adults	6,900	7,180	0
Workplace literacy partnerships	0	9,574	0
TOTAL, vocational and adult education	**994,848**	**1,022,279**	**1,036,343**
STUDENT FINANCIAL ASSISTANCE			
Pell grants:			
Academic-year program	3,862,000[5]	4,260,430	5,011,000
Shortfall	325,000[5]	0	0
Supplemental educational-opportunity grants	412,500	408,415	416,583
Work-study	592,500	588,249	600,014
Income contingent loans	5,000	4,308	50,000
Perkins loans:			
Federal capital contributions	188,000	185,736	0
Loan cancellations	22,000	24,892	22,000
State student incentive grants	76,000	72,762	0
TOTAL, student financial assistance	**5,483,000**	**5,544,792**	**6,099,597**
GUARANTEED STUDENT LOANS			
TOTAL, guaranteed student loans	**2,717,000[5]**	**2,565,000**	**2,753,596[6]**
HIGHER EDUCATION			
Aid for institutional development	147,208	152,370	136,978
Program development	67,650	66,585	49,701
Academic facilities	23,000	28,244	22,744
Special grants	19,250	15,414	0
Aid for students	223,320	271,758	240,772
TOTAL, higher education	**480,428**	**534,471**	**450,195**
HOWARD UNIVERSITY			
TOTAL, Howard University	**170,230**	**172,203**	**178,147**
HIGHER-EDUCATION FACILITIES LOANS			
TOTAL, higher-education facilities loans	**19,205[5]**	**0[5]**	**0[5]**
COLLEGE-HOUSING AND ACADEMIC-FACILITIES LOANS			
TOTAL, college-housing and academic-facilities loans	**60,000**	**62,231**	**1,575**
COLLEGE-HOUSING LOANS			
TOTAL, college-housing loans	**0**	**0**	**0**
COLLEGE-CONSTRUCTION LOAN INSURANCE			
TOTAL, college-construction loan insurance	**0**	**19,148**	**0**
EDUCATION RESEARCH AND STATISTICS			
TOTAL, education research and statistics	**63,575**	**67,526**	**81,000**
LIBRARIES			
Services to the disadvantaged (proposed legislation)	0	0	45,000
Resource sharing (proposed legislation)	0	0	30,000
Research and assessment (proposed legislation)	0	0	1,000
Public-library services:			
State grants	78,400	77,406	0
Indian and native Hawaiian set-aside	1,600	1,580	0
Public-library construction:			
State grants	22,050	22,143	0
Indian and native Hawaiian set-aside	450	452	0
Interlibrary cooperation:			
State grants	17,640	18,296	0
Indian and native Hawaiian set-aside	360	373	0
Library literacy programs	5,000	4,787	0
Training and demonstrations	1,000	718	0
Research libraries	6,000	5,744	0
College-library technology	0	3,590	0
TOTAL, libraries	**132,500**	**135,089**	**76,000**
DEPARTMENTAL MANAGEMENT			
Program Administration:			
Postsecondary education	70,513	76,302	93,544
Other education programs	63,322	64,794	63,833
Executive direction	100,857	99,932	98,072
Office for civil rights	43,000	40,530[9]	41,341
Office of the Inspector General	16,378	17,560[9]	17,911
TOTAL, departmental management	**294,070**	**298,118[9]**	**314,701**
TOTAL, EDUCATION DEPARTMENT	**19,687,897**	**20,314,175**	**21,164,824**

Precollegiate Activities Of N.S.F. Get a Boost

WASHINGTON—President Reagan last week requested a 21 percent increase in funding for the National Science Foundation's precollegiate-education programs.

The increase would bring total spending for K-12 programs to $108.5 million.

That represents about two-thirds of the proposed $156-million budget for the science- and engineering-education directorate, which was abolished for budgetary reasons in the first year of the Reagan Administration. The directorate was reinstated in 1983.

The fiscal 1989 budget would nearly double funding for the Young Scholars Program, which provides enrichment activities for talented junior- and senior-high-school students who show an interest in science and mathematics.

It would also provide an additional $6 million for materials development, with a special emphasis on curriculum development in math at the middle-school level.

For teacher preparation, the budget requests $53.5 million, or $8 million more than the amount appropriated in fiscal 1988. Included in the increase is $2.5 million to train teachers in urban areas.

Overall 19% Hike Asked

The budget also seeks $49 million—a 30 percent increase—for activities to encourage blacks, women, and other underrepresented groups to study science and engineering at more advanced levels. As part of these efforts, it proposes a new program to identify minority students with potential for graduate study.

Overall, the agency requests a 19 percent funding increase, which would bring total spending to $2.05-billion. Erich Bloch, the N.S.F.'s director, called the proposal a "major step toward significantly affecting our lead in science and engineering research and education."

Mr. Bloch noted that the foundation had planned to propose such a boost in fiscal 1988, but the Congress curtailed its efforts. Lawmakers provided $1.7 billion for the N.S.F. last year, less than the $1.9-billion President Reagan had requested. The President last year pledged to double the foundation's budget by 1992.

However, despite the cut, the Congress added $24 million to Mr. Reagan's 1988 request for the science- and engineering-education directorate.

Other Proposals

The Administration's other education-related budget proposals falling outside the Education Department, include:

- **Youth J.T.P.A. programs.** Funding for the youth employment and training programs administered by the Labor Department and authorized by the Job Training Partnership Act would be cut by $32 million—from $750 million to $718-million.

The Job Corps, also administered by the Labor Department, is slated for a $40-million increase, from $649 million in 1988 to $690 million.

The program is a national network of residential centers designed to provide training in literacy, arithmetic, and vocational skills for disadvantaged youths between the ages of 14 and 21. The increase will maintain the number of youths served through the program at 40,544.

- **Child Nutrition.** The Administration's request would marginally increase the Agriculture Department's school-meals programs, but would cut funding for the special milk program. The combined increases in the school-lunch and school-breakfast programs would total $224 million, bringing overall funding for the programs to $3.7 million. The milk program is slated to lose $1.5 million, falling from $21.5-million to about $20 million.
- **Asbestos Program.** The Administration has repeated its request to eliminate the school asbestos-abatement program. The Congress denied the request in the fiscal 1988 budget and funded the program at $40 million.
- **Bureau of Indian Affairs.** The bureau, part of the Department of the Interior, administers educational services for about 10 percent of all Native American children. It would lose $8.3 million in funding under the budget request, falling from $272.9 million in 1988 to $264.6 million in 1989.
- **Head Start.** The Department of Health and Human Services would receive level funding for the Head Start program, maintaining the 1988 appropriation level of $1.2 billion.

—R.R. & R.R.W.

Budget Footnotes

1. Estimate based on pending legislation.
2. Additional funds for Indian Education are provided in the Interior Department and Related Agencies Appropriations Acts.
3. Activity combines deaf-blind projects and severely handicapped projects.
4. This program was previously appropriated as one of the accounts under special institutions.
5. Reflects a transfer of $287,000 thousand from Guaranteed Student Loans to Pell Grants contained in the Supplemental Appropriations Act of 1987.
6. Reflects a reduction in program costs of $4,760 thousand associated with proposed legislation designed to reduce loan defaults.
7. Reflects a reallocation of $336 thousand from Academic Facilities Construction Grants to Interest Subsidy Grants to cover mandatory expenses.
8. No loan authority.
9. Does not reflect a reduction of $597 thousand for Program Administration, $154 thousand for Civil Rights, and $189 thousand for Inspector General for travel and transportation expense pursuant to Section 512 of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1988.

SOURCE: U.S. Education Department

New Foundation View: 'We All Have a Stake' in Schools

Continued from Page 1

$1.5 million in grants.

According to Arnold R. Shore, executive director of the foundation, the shift was motivated by two factors: research demonstrating the link between schooling and economic productivity; and evidence that education would not keep pace with employers' needs unless ways were found to deal with a changing population of children.

- Two years ago, the John D. and Catherine T. MacArthur Foundation initiated an education program with a primary focus on the literacy of children ages 4 to 14. So far, it has distributed more than $9 million in grants, and foundation officials predict that contributions in the K-12 area will grow.
- In its early years, the Lyndhurst Foundation in Chattanooga, Tenn., gave most of its education dollars to private schools in the local community. "Our work with the public-school system was sort of hit or miss," says Jack E. Murrah, the foundation's executive director.

But in the last few years, Lyndhurst has been the driving force behind the district's first magnet school and is currently helping to create a local school foundation.

- In addition, several new foundations have chosen public education as a top priority, including the Bell-South Foundation in Atlanta and the Matsushita Foundation in Secaucus, N.J.

'On the Agenda'

Such signals are promising, says Mary K. Leonard, director of the Council on Foundations' precollegiate-education program, but they should be read with a degree of caution. With a national roster of some 25,000 foundations, she notes, "it's very hard to generalize."

Foundations give only a small percentage of their grants to elementary and secondary schools—4.5 percent in 1986, compared with 10.8 percent for higher education.

But there is no comprehensive listing of how that money is spent, Ms. Leonard notes, and categories of giving may be vague. A grant that one foundation characterizes as a higher-education initiative could be funded through the precollegiate program of another.

"I can see some movement on a national level, but it's not happening in every foundation," she says.

Nonetheless, it is in the right direction, according to Paul N. Ylvisaker, a senior consultant to the council and professor of education at Harvard University.

"If you were to go back, as I did, over a 30-year period to find out what foundations had given to pre-collegiate education—and particularly to public schools," he says, "it was abysmally low."

Many foundations have either had explicit guidelines against funding public education or have never done it.

But since 1981, Mr. Ylvisaker says, "the plight of the schools—and particularly the public schools—has finally come up on the agenda of a good number of foundations."

Business and Community

Observers agree that the most notable growth has been in the corporate sector, even though its education support still goes primarily to colleges and universities.

In 1986, for example, the nation's 370 largest corporations gave only 6.1 percent of their direct charitable contributions in education to the precollegiate level—or $39.6 million out of a total of $652 million.

But that figure, says Jane F. Hammond, director of research for the Council for Aid to Education, was up from 5.2 percent in 1984. She notes that corporations also gave $12.9 million for economics education in 1986, mostly in grades K-12.

Moreover, in a survey released last month by the Conference Board, nearly two-thirds of the 130 major corporations polled listed elementary and secondary education as their top community concern. In 1985, only 42 percent did so.

The number of corporations that will match their employees' gifts to primary and secondary education has also jumped 12 percent in the last seven years—from 503 in 1981 to 701 today, according to the National Clearinghouse for Corporate Matching Gift Information.

"There is so much discussion and consideration given to education issues right now within the corporate community," says Peter B. Goldberg, vice president of the Primerica Foundation, "that it's hard for any corporate foundation officer or grantsmaking officer not to have been involved at some level."

Interest in education also seems to be blossoming among the nation's approximately 300 community foundations.

Traditionally, these groups have focused their efforts on the arts, health-related services, and social services, says Gloria Frazier, a consultant to the Council on Foundations.

But based on her discussions and correspondence with nearly one-fourth of the community foundations nationwide, Ms. Frazier notes that "there is a greater interest in figuring out how to work with the schools."

'Enlightened Self-Interest'

Philanthropy's growing attention to public education can be attributed, in part, to the spate of reports on school reform that have been released since 1982, says Theodore Lobman, vice president for the Stuart Foundations in San Francisco.

But national concern about the condition of children is also a factor, he adds. "As families collapse and child-protective services look less and less attractive, the schools seem to be all there is left."

Others point to what they call "enlightened self-interest" on the part of both private and corporate philanthropies.

Foundations that have previously supported higher education are worried about the supply and quality of students feeding the nation's colleges and universities. Corporations want to ensure a steady flow of well-qualified and educated workers.

These worries have combined to turn philanthropists' interest first to the high schools and increasingly to even younger age levels.

Such pragmatic concerns have also inspired new sources of support—including some local corporate, community, and family foundations that previously had paid scant attention to the schools.

'A Changing Mindset'

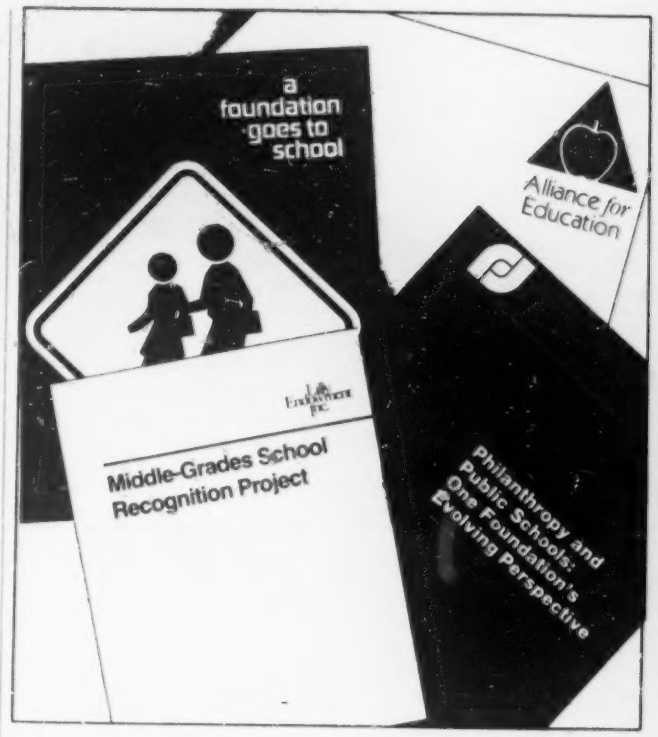
"Ten years ago, I think it would have been very difficult to get local foundations to consider giving to public education," says S. Paul Reville, executive vice president of the Alliance for Education in Worcester, Mass., a public-education foundation.

"Basically, the view was that the tax levy takes care of public education, and the purpose of private philanthropy is to take care of those institutions that don't draw on tax funds," he notes. "But in recent years, I think there's been an increasing awareness that we all have a stake in the school system."

Although many corporate leaders stress that public education should be funded primarily through the tax base, their heightened interest in school reform has led to a little-anticipated dividend: corporations speaking out for tax hikes.

"I think that corporations and corporate leaders are faced with the reality that they're increasingly going to have to call for greater public-sector expenditures for education," says Mr. Goldberg of Primerica. "There's a changing mindset."

That change was highlighted last March, when some of the nation's top corporate executives traveled to Washington to lobby for more money for remedial education, Head Start, and other federal education programs.


a foundation goes to school
Alliance for Education
Middle-Grades School Recognition Project
Philanthropy and Public Schools: One Foundation's Evolving Perspective

But despite such positive signs, Mr. Reville notes, finding private dollars for public schools is "still not an easy sell."

Looking for 'Impact'

Particularly because of federal budget cuts, he states, "local foundations and corporations are being hit up by a wide array of human-service causes, many of which would never have approached them 10 years ago. Education is one more cause they're being asked to address."

"It is still very difficult for public schools or public-education projects to get funding," agrees the educational researcher John I. Goodlad, author of *A Place Called School*.

"The resources are badly spread around," he says, and foundations interested in precollege initiatives remain "very few in number and very hard pressed."

Partly as a result, foundations are searching for ways to stretch limited dollars, piggyback programs onto existing reform efforts, and stimulate more lasting changes.

"The days of the big-dollar grants for a 6- or 12-month program with demonstrated results at the end of a short term are over," says Thomas Payzant, superintendent of the San Diego Public Schools.

In general, experts say, foundations are less willing to provide money on request fo · ancillary programs and more inter sted in using their grants to influence the core educational mission of the schools.

"There is a concern with finding ways to use money other than in a peripheral way," says Leonard Lund, a senior research associate with the Conference Board in New York City.

"You used to consider that if you gave money to outfit the band or athletic team, you were making a major contribution," he says, "but in the long run that didn't have much of an impact on the learning aspect. Now, there is a concern with spending money that will impact on instruction."

"Increasingly, I sense a willingness among corporations to engage in the broader discussion," says Mr. Goldberg. "How do we improve the school system? How do we enable the school system to better serve all kids?"

Adopt-a-school programs and school-business partnerships may have been a necessary precursor to such efforts, he says.

In a similar way, Ms. Frazier notes, community foundations are "re-evaluating how they might either use their funds or their staffing differently in relation to improving education."

In the past, she explains, such foundations have provided mini-grants for teachers, principals, and students. Or they have used their funds to provide materials and supplies for particular school programs during economic crunches.

Now, she says, they are beginning to explore their roles as catalysts for change and as convenors of all the community groups with a stake in the school system. The Council on Foundations has received a $70,000 grant from the Primerica Foundation to stimulate such efforts.

In Pittsburgh, notes David Bergholz, president of the Public Education Fund, local foundations "are heavily involved in basic reform issues—major writing programs in the system, teacher retraining, at-risk kids, teen-age pregnancy—the whole range of issues that they wouldn't have touched with a 10-foot pole 10 years ago."

The "more sophisticated foundations," he adds, have also "learned to be pretty careful about not getting trapped into those areas of programs that are best paid for publicly."

"Do you pay for the release time of teachers?" he asks. "A few years ago, lots of people would just have rolled over and played dead, and assumed that was something [foundations] should do."

'More Aggressive'

As foundation officials become more involved in the schools, however, they are also becoming less willing to sit back and let school officials tell them what to fund.

"Foundations understand the issues better and therefore have a point of view," says Mr. Bergholz. "Increasingly, they are coming to

Continued on Following Page

"I think that corporations and corporate leaders are faced with the reality that they're increasingly going to have to call for greater public-sector expenditures for education. There's a changing mindset."

—Peter Goldberg

Continued from Preceding Page

the table saying, 'This is what I'd like to be involved in.' "

"We've become more aggressive in finding opportunities in education, rather than just reacting to opportunities that were brought to us," agrees Thomas W. Lambeth, executive director of the Z. Smith Reynolds Foundation in Winston-Salem, N.C.

Two years ago, the foundation was instrumental in creating the Public School Forum of North Carolina, a nonprofit organization that enables teachers, administrators, parents, and others to engage in long-range planning for the state's school system.

"It is still very difficult for public schools or public-education projects to get funding. The resources are badly spread around," and foundations interested in precollegiate issues remain "very few in number and very hard pressed."

— John I. Goodlad

"Three or four years ago, you would not have found this foundation doing that," says Mr. Lambeth.

Some foundation officials also say they are relying more on "invitational" grantsmaking and are spending more time with applicants during the planning process, in order to help direct projects. Although such techniques have commonly been used by large private foundations, they are now becoming more widespread.

"There's a lot more receptivity to the 'short idea' or 'concept' paper, and much more give-and-take," says Mr. Payzant of San Diego, "rather than a formal request for proposals and a voluminous written document that competes with many others."

In addition, foundation officials say they are spending more time "in the field," due, in part, to what they characterize as a changing ethos within philanthropic organizations.

"The standard for credibility now is that you have a little dirt under your fingernails," says Peter Gerber, director of the education program for the MacArthur Foundation. "You have to have seen it. The personal experience is more valued. As you want to take more initiative, your credibility depends on knowing what's doing. And knowing it only through paper and reports isn't sufficient."

Third Parties

A growing number of communities have also created private foundations to stimulate grants and local contributions to public education.

These foundations—which are technically independent of the school system—have provided a new entrée into the schools for private interests.

Although there are no national statistics on the number of school districts that have such foundations, experts estimate there are more than 2,000 nationwide.

Such "brokering agencies," says Alberta B. Arthurs, director for arts and humanities at the Rockefeller Foundation, can "often move with greater rapidity and reach the individuals who can make a difference more quickly than can the bureaucracy itself."

"It's an advantage to have an organization with flexibility and dexterity helping the system identify ways of improving," she notes.

Adds Michael S. Joyce, executive director of the Bradley Foundation in Milwaukee: "Many foundations are reluctant simply to take their money and put it directly into the public-school system—particularly, when the issue or the project is framed by the people in the system. I think there's a tendency to look outside . . . to introduce incentives and that kind of thing."

Where such third parties exist, experts note, local community, family, and corporate foundations may be more willing to give money to the schools, because they perceive the money will be better spent.

'It's a Long Wait'

The burgeoning interest in schools, however, is also highlighting some of the recurring dilemmas in the foundation-grantee relationship.

For example, knowing where to jump into the public-school system—particularly, in large urban areas—can be difficult.

"You're dealing with large entrenched public bureaucracies, not all of which are equally amenable to change," says Mr. Goldberg of Primerica. "In some cases, you need major improvements in the system, but corporations have only a minor capability to yield those changes."

In addition, changing schools is an extremely slow process that many foundation officials and their boards find frustrating.

"It takes a long time to see visible outcomes," says Ms. Leonard from the Council on Foundations. "You put some money into early-childhood programs, and you don't see the results for the next 11 years. For a board that's looking for impact, it's a long wait."

"Hyped-up expectations," adds Mr. Gerber of MacArthur, can frustrate foundations that are "either looking for the golden bullet, on the one hand, or thinking that good ideas can be disseminated and adopted like a prairie fire running across the country, on the other."

"Very few foundations want to focus on the 'bridge concept'—on how to move research into the classroom where it can be used by teachers and principals," says Samuel G. Sava, an educator who spent 15 years as a foundation officer.

"I think most foundations want to undertake experimental projects," says Mr. Sava, now executive director of the National Association of Elementary School Principals. "They want to try a new method of instruction, for example, and once they achieve that goal, the assumption is, 'Now that we have a new mousetrap, people will run to use it.' Unfortunately, it doesn't happen."

Evaluation

Foundations also have trouble evaluating their efforts to change school systems.

Sometimes, the difficulty stems from the poor quality of school data or from hard-to-measure objectives. But it is also a problem endemic to the philanthropic world.

"As a staff person, there's never enough time for me to spend on follow-up," says Nelvia M. Brady, a senior staff associate with the Chicago Community Trust. "Just naturally, the priorities are what's coming in and not what's been completed."

The lack of ongoing evaluation, says Mr. Bergholz of Pittsburgh, means that foundations "don't get the kind of feedback that says, 'Look, let's get off this bandwagon. It's not going anywhere. Let's try something else."

Another Fad?

As more foundations begin to tackle problems deeply embedded in school systems, observers are also worried about their staying power.

"The only set of institutions that are probably more fad-driven than school systems are foundations," says Mr. Bergholz.

Mr. Goodlad agrees: "I think [foundations] get uneasy too soon about their areas of support and start re-examining what they're doing too soon."

"Again and again, I get a proposal in only to hear that they're rethinking their priorities," he says. "That's important, but it can be very disruptive."

Corporate mergers are also exacerbating instability in the foundation world, says Peggy Funkhouser, executive director of the Los Angeles Educational Partnership, a public-education foundation.

"With changing personnel and changing leadership, getting anybody at a foundation to stay with anything long enough—including board members—is a problem," she says.

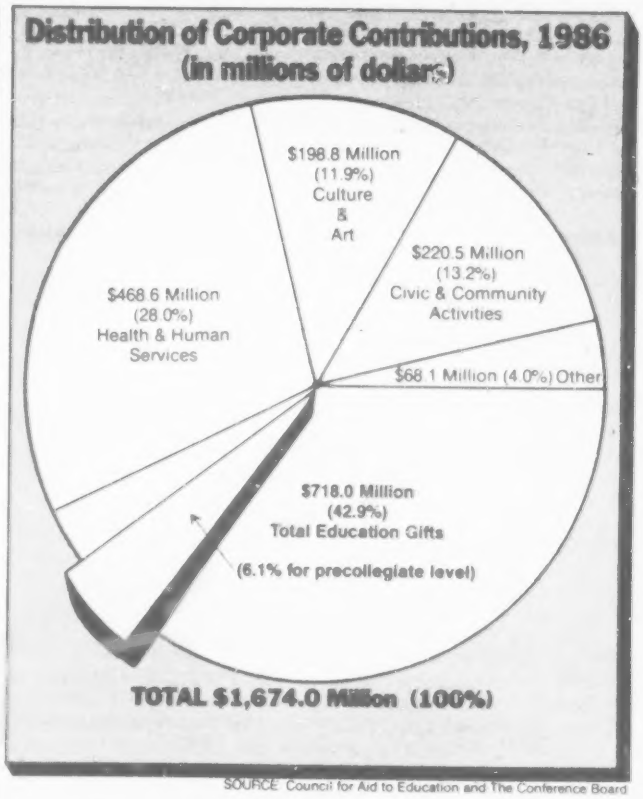
"As people in corporations change rapidly, and that's been happening a lot, . . . it has the potential to be devastating."

'Don't Have the Luxury'

In addition, most observers note, it may still be difficult to get the majority of corporate and family foundations to shift their grantsmaking programs in education.

Although some foundations are systematically trying to intervene in the public schools, Mr. Goodlad says, "there are a lot of little family foundations kicking around yet" that distribute their money based on the individual interests of family members.

Many family foundations "have some pretty well-defined priorities or recipients," adds Mr. Murrah of the Lyndhurst Foundation, "and those historically have not been public schools."


Distribution of Corporate Contributions, 1986
(in millions of dollars)
$198.8 Million (11.9%) Culture & Art
$220.5 Million (13.2%) Civic & Community Activities
$468.6 Million (28.0%) Health & Human Services
$68.1 Million (4.0%) Other
$718.0 Million (42.9%) Total Education Gifts
(6.1% for precollegiate level)
TOTAL $1,674.0 Million (100%)

SOURCE: Council for Aid to Education and The Conference Board

Corporations may also be reluctant to move away from adopt-a-school programs and short-term projects toward more substantive agendas, "because a lot of them have experienced success in the short term," says Patricia Willis, executive director of the BellSouth Foundation, particularly, she notes, "from the standpoint of good public relations."

"Most companies have field people that conduct their education-relations programs," she says, "and there is neither the corporate need nor the responsibility to get immersed in education issues. People are out in the field to do the business of the corporations. They don't have the luxury I do, frankly, of really immersing myself in the issues."

'Opportunity' in Reform Era

Despite such drawbacks, many observers suggest that the climate is ripe for foundations and schools to move toward more mutually satisfactory arrangements.

The mandate for school reform, says Mr. Gerber of the MacArthur Foundation, "has provided an opportunity for the kind of innovation and newness which appeals to foundations."

And it has opened up new avenues for philanthropists to be "more involved with the substantive improvement that is sought by the schools," he says.

Public education has "really become a major area of corporate and foundation interest in recent years," agrees Robert Payton, a scholar-in-residence in philanthropic studies at the University of Virginia and former head of the Exxon Education Foundation.

"There's a lot to be pleased about," he says. "I think the principal caution is that we don't yet know what is going to work. There's a tendency for us to put a lot of energy into something like this and then lose interest and turn to something else. And if we don't stay with this one longer, these various initiatives won't survive."

Next Week: A look at several foundations that have launched ambitious efforts to reorient their grantsmaking strategies away from specific projects and toward whole schools, school districts, or communities.

"Ten years ago, I think it would have been very difficult to get local foundations to consider giving to public education. . . . But in recent years, there's been an increasing awareness that we all have a stake in the school system."

— S. Paul Reville